

THE CANNABIS CONNECTION

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Division of Cannabis Regulation*





MISSOURI DEPARTMENT OF
**HEALTH &
SENIOR SERVICES**

Division of Cannabis Regulation



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WHAT IS QMS?

Interview with Lindsey Rutz

Author: Tara McKinney
Public Outreach Director

Lindsey Rutz serves as the program coordinator for the Program Development Unit. The PDU is responsible for researching and developing policies and procedures for the Section for Compliance and Enforcement, ensuring consistency in SCE communications and providing guidance for internal and external audiences. PDU also coordinates data systems, reports and other administrative functional areas of SCE.

We sat down with Lindsey to talk about quality management systems (QMS), and learn more about 19 CSR 100-1.100 (4)(D) and what that means for licensees. 19 CSR 100-1.100 (4)(D) states that licensees shall implement a quality management system using a published standard, such as those offered by International Organization for Standardization, ASTM International, Cannabis Safety and Quality, or Foundation of Cannabis Unified Standards, within one year of the date the facility receives department approval to operate. The chosen standard shall be applicable to the licensee's facility type and be implemented with emphasis on regulatory compliance.

“What is a Quality Management System (QMS)?”

Lindsey:

The American Society for Quality defines QMS as “a quality management system is a formalized system that documents processes, procedures and responsibilities for achieving quality policies and objectives. A QMS helps coordinate and direct an organization's activities to meet customer and regulatory requirements and improve its effectiveness and efficiency on a continuous basis.”

In short, QMS helps organizations assess the quality of their products and services to ensure positive consumer experiences.

“What is the difference between QMS and standard operating procedures (SOP)?”

Lindsey:

QMS is a comprehensive set of an organization's policies, processes and procedures that employees consult for all business activities to help ensure a quality and consistent product or service. If a product or service falls outside of an organization's expectations, the organization should investigate and act on the outcomes of the investigation.

A SOP is an organizational document with detailed, step-by-step, instructions on how to complete a specific task. Often times it takes multiple SOPs to encompass a complete process.

“What are some examples of how a QMS may help licensees?”

Lindsey:

A QMS provides a licensee's employees with expectations and a roadmap on how to complete tasks consistently. When implemented, improved on and used consistently, a QMS may improve process efficiencies, customer satisfaction, vendor relationships and compliance with industry regulations. Licensees are free to implement their own internal standards, requirements and business goals as long as constitutional and regulatory obligations are met.

WHAT IS QMS?

“What rules should licensees review while creating a QMS?”

Lindsey:

Licensees should review and consider all rules in 19 CSR 100-1, as well as applicable federal, state and local requirements, while a licensee is building out their QMS. As changes to applicable regulations occur, licensees should evaluate existing SOPs to ensure they stay in compliance.

DCR's rules, 19 CSR 100-1, may be found at <https://health.mo.gov/safety/cannabis/pdf/final-rules-073023.pdf>

Article XIV may be found here:

- Section 1, Right to access medical marijuana:
<https://revisor.mo.gov/main/OneSection.aspx?section=XIV+++1&bid=51540&constit=y>
- Section 2, Marijuana legalization, regulation and taxation:
<https://revisor.mo.gov/main/OneSection.aspx?section=XIV+++2&bid=51541&constit=y>

It is the licensee's responsibility to operate compliantly with Article XIV and the 19 CSR 100-1 requirements applicable to their license. If you have any questions regarding Article XIV or 19 CSR 100-1, please reach out to your assigned compliance officer via email and copy CannabisCompliance@health.mo.gov.

“I hear there is guide that may be coming out soon. Can you tell us more?”

Lindsey:

Yes, our QMS guide is an in-depth overview of some of the information discussed here. It talks about potential benefits of implementing a QMS, the basic elements of a QMS, and how DCR rules and guidance fit into a QMS. Overall, a QMS is important because it helps alert licensees to areas of improvement and ensure a quality consistent product or service each time.



LAW ENFORCEMENT TRAINING

Author: Tim Taylor, Project Specialist

DCR is specifically charged with the regulation of legal cannabis in Missouri, and the enforcement roles between legal and illegal cannabis can be hard to understand, giving rise to confusion by law enforcement between the role of DCR and what is still in the hands of law enforcement officers and prosecutors.

In a well-known old TV series called “Dragnet,” the lead character, Detective Sergeant Joe Friday, would often tell witnesses to give an officer “just the facts.” That is exactly what the DCR plans to do with Missouri law enforcement officers and give them the “facts” of what DCR’s role and responsibilities are regarding legal cannabis in the state. This training is not intended to try and tell officers how to do their job, rather it will convey the role and responsibilities of the DCR and provide officers with information about how we might work together to achieve their goals for their respective communities while DCR is ensuring compliance with the Code of State Regulations.

Understanding that Missouri Peace Officers are required to obtain continuing education on an annual basis as well as the training being approved through the Missouri Peace Officers Standards and Training (“POST”) Program, DCR will submit the training for POST approval, thus establishing an opportunity to provide officers the training hours they require while increasing awareness with Missouri law enforcement about DCR responsibilities.

Once POST has approved the training, DCR staff will provide free training at locations around the state making it easier for officers to attend. This undertaking will not only increase awareness while clearing up misconceptions, it should also aid to increase effectiveness in regulating legal cannabis in Missouri.



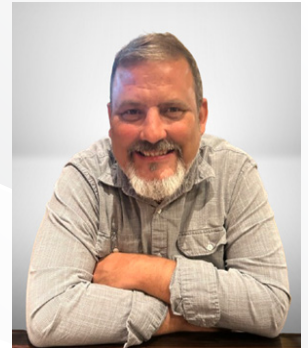
Join our [email list](#) to stay up to date on the latest law enforcement training information.

Ask the BUSINESS LICENSE SPECIALIST

Christopher Elliott, Senior Regulatory Auditor

“What is an error that you are seeing from licensees on business change requests and what do you recommend to help minimize it? What’s working well?”

Business Change Applications (ak.a. change applications or change apps) are outlined in 19 CSR100-1.100. This section of the rules outlines and explains the general operating requirements that are applicable to all licensed and certificated facilities. In this article we’ll focus specifically on 19 CSR100-1.100(2)(D) and 19 CSR 100-1.100(3)(C) as they pertain to location changes. Let’s first look at a snippet from the rules. Then below that, I’ll “move on” and share some of the most common mistakes or errors, shall we?



Incorrect or incomplete Proposed Blueprints:

A common error is that the blueprints lack the required details of the proposed facility. The submitted blueprints must outline the entire facility. Make sure all the rooms and areas are clearly identified with labels. This labeling must include the purpose and square footage, the camera locations, the limited access areas and access permissions.

Local Government Documentation:

Two regulations pertain to the facility’s location. A common mistake is treating those two requirements as one. While they may be similar, one refers to distance requirements and the other pertains to any applicable zoning restrictions. For confirmation, licensees must provide documentation from the local government confirming that the facility’s location complies with the local distance requirements and that the facility complies with any applicable zoning restrictions. In either case, this documentation may state that there are no such requirements, when applicable.

Unclear Lease Agreements or Proof of Ownership:

Common mistakes or errors include missing signatures, erroneous dates and terms that are unclear. Make sure you have a lease or other proof of ownership that is properly signed by all parties, with matching dates and clear terms. Ideally, somewhere in the lease, perhaps the default section, the lease agreement will clearly identify what happens to the regulated marijuana product in the unfortunate event of a default.

Missing Administrative and Processing Fee:

On occasion, a licensee might forget to submit payment or fail to clearly identify the destination of the fee. When paying fees, make sure to include the name of the license, the license number and any other identifying information to make sure the processing fee is received and recorded correctly.

By double-checking to make sure that your supporting documentation is all intact and properly executed before submitting, you can avoid unnecessary delays and help to ensure a smooth application process!

Ask the BUSINESS LICENSE SPECIALIST

Katrina Prenger, Business Services Specialist

There are several words we use in everyday language that are defined within rule, giving them more specific parameters than we normally associate with them. One such word is "owner." In 19 CSR 100-1.010(74), owner is defined as "an individual or other entity having a financial or voting interest in ten percent (10%) or greater" of a facility.

In many business change applications, ownership reporting is a pivotal part of the claim, and there are sometimes misunderstandings surrounding the term "owner" and the concept of ownership that make the request go less smoothly than it could. When forms are filled out and information given by licensees, it's easy to consider everyone who owns a portion of financial or voting interest as an owner. While that is likely accurate in terms of the business, it is not always accurate in terms of the DCR definition.

Ownership status is considered and calculated based on the total combined ownership of the individual person or entity. So, if a person owns 5% of a license via each of three sub-entities within that license, they own 15% overall. This means they are counted as an owner and need to be addressed as such in documentation. If the three sub-entities only own 5%; however, they are not owners under the definition.

Furthermore, we are looking at the ownership of the license itself. While we do need to know all levels of ownership, including parent entities, sub-entities, etc., we are looking at who owns what percentages of the licensed entity itself. So, when an individual or entity owns 15% of a sub-entity, but the sub-entity owns 50% of the

license, that individual has a 7.5% ownership in the licensed entity. They are not an owner per DCR definition in this instance. However, the sub-entity in this example, which holds 50% of the license, is an owner entity, even if none of the individuals within that entity own 10% or more of the licensed entity itself.



Several of the provided documents which applicants fill out to submit a change application contain helpful instructions regarding who, what and how to count.

Should a licensee have any questions on how to express their ownership, or any confusion of how to use a required form, reaching out to their specialist is always an option. Having documents filled out accurately when submitted as part of a change application will allow the review to flow more smoothly and hopefully reduce the number of time documents are returned for correction.

The information provided in this article is a high-level overview of these topics. DCR recommends that licensees contact their compliance officer for questions that are specific to their facilities.



Do you have a question that you would like to see featured in The Cannabis Connection? Email us at DCRC@health.mo.gov!

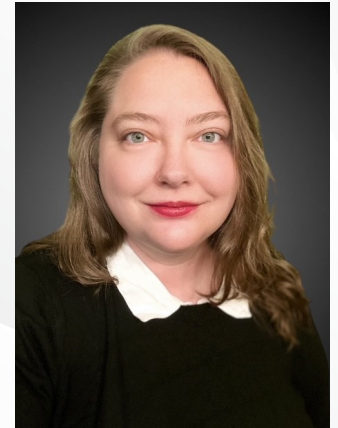
Ask the BUSINESS LICENSE SPECIALIST

Maggie Hoelscher, Business Services Specialist

While every business licensing application is different, areas for time-savings revolve around documentation. Whether it's documents not being fully completed at the time of submission or inconsistencies found during review, incomplete, inconsistent, or unsigned documents delay the application approval process.

If you're requesting an ownership change, and ownership percentages have fluctuated since the last DHSS ownership approval, you will need to send your business licensing specialist the most recent and updated percentages, along with any other documentation that was revised during the process.

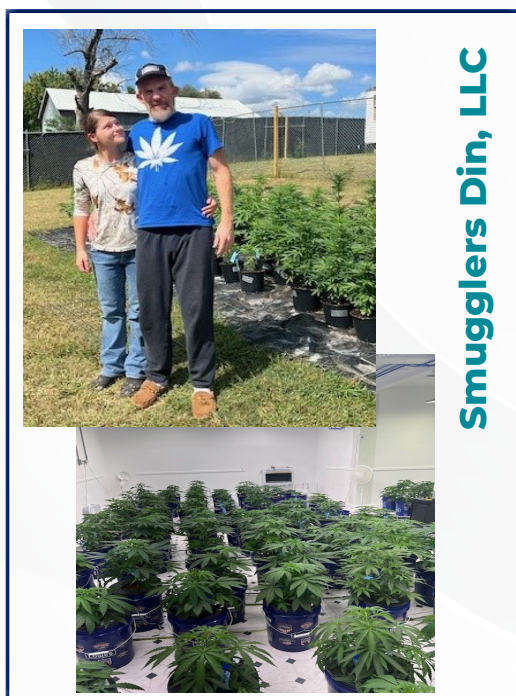
Another area of focus for documentation is making sure on location changes that the paperwork related to the property (leases or purchase agreements) are completed and submitted correctly. Additionally, it is always best practice to know the local government requirements.



TWO MICROBUSINESS COMMENCED IN JULY!

Congratulations to Smugglers Din, LLC and Blume, LLC on their commencement! Chief Equity Officer Lesley Turek and Public Outreach Director Tara McKinney had the opportunity to visit their facilities and discuss their achievement.

"It is so fantastic to see microbusinesses become operational," said Turek. "I am excited to see additional licensees come aboard too!" A welcome meeting for second round microbusiness licensees will be held in November 2024.



AGENT ID CARDS

Author: Rebecca Johnson, System Analyst & Sabrina Best, ILU Coordinator, Patient and Application Services, Individual Licensing Unit

Individuals employed by a Missouri-licensed marijuana facility are required to have a valid agent ID card, issued by DCR visible and on their person while performing work for a licensee. Rules in 19 CSR 100-1.070 require all employees, contractors, owners and volunteers with access to a state-licensed marijuana facility to have a valid DCR issued agent ID card before working or providing services at a licensed facility.

DHSS accepts agent ID card applications in its online registry portal. Eligible applicants must be at least 21 years of age, have a written offer of employment and be an individual who does not have a disqualifying felony offense. Agent ID cards are valid for three years and allow card holders to work in any state-licensed marijuana facility. Licensees must ensure employees maintain a valid agent ID card throughout the duration of employment. The department may revoke an agent ID card for reasons found in 19 CSR 100-1.070 2.(J).

How To Apply:

Detailed instructions on how to submit an agent ID application in the department's online registry portal is available on the department's website at Cannabis.Mo.Gov.

- Agent ID How to Apply: <https://health.mo.gov/safety/cannabis/fa-id-how-to-apply.php>.
- Online Registry Portal: <https://mo-public.mycomplia.com/login>

Application Requirements:

- Name, address and social security number of the applicant.
- Copy of a written offer of employment from a state-licensed facility.
- Government-issued photo identification that confirms the applicant is at least 21 years of age.
- Digital photo that shows a clear color image of the applicant's face. This should not be a photo from a passport or government ID.
- \$75 non-refundable fee.

Written offer of employment requirements:

Written statement from a Missouri-licensed marijuana facility indicating the agent ID applicant will be working for their facility.

A written offer should include:

- The name and/or license number of the licensed cannabis facility.
- The name of the individual applying for the agent ID.

Note: For applicants that own a licensed facility, a signed statement indicating the applicant is an owner on the facility's letterhead may be submitted in place of an offer of employment.

Fingerprint submission for criminal history background check.

Currently, the department does not require facility agent ID applicants to submit fingerprints for a criminal history background check. The department has been directed by statute to require fingerprint submission to screen agent ID applicants for disqualifying felony offenses and will post additional information at Cannabis.Mo.Gov prior to resuming this requirement.

AGENT ID CARDS

Agent ID Card Verification:

Agent ID cards may be verified by scanning the QR code on the back of the card or by using the verification website mo-verify.mycomplia.com. More information on agent ID card verification is available on the department's website at Cannabis.Mo.Gov.

Agent Identification Application Denial and Card Revocation – 19 CSR 100-1.070 2.(J).

- Submission of an incomplete application
- Information in the application or renewal application that is deceptive, misleading, incorrect, false or fraudulent, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure.
- Fraudulent use of the agent ID card, including tampering, falsifying, altering, modifying, duplicating or allowing another person to use, tamper, falsify, alter, modify or duplicate an agent ID card.
- Selling, distributing, transferring in any manner, or giving marijuana product to any unauthorized individual or entity, or an amount of marijuana product not authorized by law.
- Tampering with or falsifying video recordings or equipment, point of sale systems or records, the statewide track and trace system or records, or any other facility records, whether at the direction of a licensee or otherwise.
- Failing to comply with the statewide track and trace system requirements.
- Violation of any requirement in chapter one
- Individual is prohibited by law from holding an agent ID card
- Individual has committed theft or other criminal offense, whether or not a criminal charge has been filed, in the performance of the functions or duties of the facility agent.
- Refusal to cooperate with a department investigation.



Answers to frequently asked questions:

How long is an Agent ID valid?

Agent identification cards are valid for three years from their date of issuance and shall be renewable by submitting, prior to expiration by at least 30 days but no sooner than 60 days, a new or renewal application.

Can an agent renew after their card expires?

Yes, an agent can renew at anytime after their card expires but an agent will not be able to work in a cannabis facility during the time that their card is expired.

How do I change my Agent ID contact information?

Agent ID contact information can be updated by going to the online registry system, <https://mo-public.mycomplia.com>, and completing an Agent Update.

Who Must Apply?

All employees, contractors, volunteers or owners who wish to gain access to a licensed or certified cannabis facility.

Do all contractors require an agent ID?

Individuals performing maintenance work (such as plumbing) or other similar work not related to testing, transporting, growing, manufacturing or dispensing marijuana product at any licensed or certified facility for no more than 14 days in a calendar year, is not required to have an agent identification card to perform such work.

For more information and resources, Agent ID rules and answers to FAQs, visit Cannabis.mo.gov. For additional questions, contact DCR by phone at 866-219-0165 from 9:00 a.m. – 4:00 p.m. Monday – Friday, or by email at Cannabisinfo@health.mo.gov.

Meet our team

WE ARE DCR

Craig Schnieders

Chief, Office of Operational Support



My name is Craig Schnieders and I serve as the chief of the Office of Operational Support. Prior to coming to DCR, I was the budget and fiscal director at the Department of Higher Education and Workforce Development.

I also previously served as deputy director of the Division of Regulation and Licensure when the Section for Medical Marijuana was initiated. Working with the leadership who were there at the beginning laid the groundwork for my wanting to join the DCR team. My time as the deputy director also helped me refine team building and operational skills that are serving me well in my position with DCR.

I am working within DCR to refine processes and to hire and retain staff to support the important work DCR performs. My team is also responsible for the preparation of the DCR annual budget request and responses to fiscal questions from the department or the legislature. Another one of our responsibilities is the coordination of information for and the development of the annual report provided to the Governor.

I have a BS in Marketing from Lincoln University and an MBA from the University of Missouri.

Jason Brooks

Supervisor, Program Development Unit

I grew up in Missouri and lived in Colorado for 10 years and California for 2 years.

The first 13 years of my career were in restaurant industry managing everything from fast food to fine dining establishments in both Colorado and Missouri. For the last 16 years of my career, I worked for a real-estate investment company focusing on the single and multi-family home rentals and self-storage. Over that time, my work focused on fair housing practices, managing larger maintenance projects, auditing, systems development and process refinement, acquisitions, and P&L management. I ended my career with my prior company as the director of training, serving a global market spanning the US, UK and Canada.



On Dec. 1, 2023, I joined DCR as the supervisor for the policy side of the Program Development Unit. In this role, my work focuses on research, internal and external guidance, policy and rule understanding, and creation and general program development. I am grateful for the opportunity to be a part of DCR and hope to play an integral role in its development and maturation. It is wonderful to be making a difference in the lives of cannabis consumers in the state of Missouri!

MARIJUANA TESTING

*Author: Jamie Minter, Research Scientist
Testing and Research Unit*

Testing licensees are a crucial part of the state's cannabis industry because they ensure health and safety requirements are met. Each testing facility must adhere to rules set forth in 19 CSR 100-1.110. As directed in rule, they are also ISO/IEC 17025:2017 accredited. Together the rules and accreditation ensure accuracy, traceability, best practices and defensible results. The rules and accreditation include requirements for chain of custody, entering results into the statewide track and trace system called Metrc and sampling expectations.

A chain of custody is documentation that follows the product throughout the sampling process, from the originating facility where sampling was conducted to the receiving testing facility. Maintaining a chain of custody is important for document control, quality management and aiding in any discrepancies that may arise regarding sample collection, transport or intake. Per 19 CSR 100-1.110(6)(E), cultivation, manufacturing and dispensary licensees will collaborate with testing licensees to create a chain of custody record that includes 17 required pieces of information pertinent to sample collection. A few of these requirements include the following: the originating facility's license number, the testing facility's license number, the marijuana product category, tag number, total mass of the harvest or process lot, sample tag number, which tests are requested, the type of test, the history of the marijuana product and more. Chain of custody records must be retained by both the originating licensee and the testing licensee for at least five 5 years. The full requirements for a chain of custody are outlined in 19 CSR 100-1.110(6)(F).



There are requirements in 19 CSR 100.1-110 regarding reporting results into Metrc. Testing licensees must report mandatory testing results within 10 days of receiving the sample and within 24 hours of completing the analysis. The results must coincide with or precede any notice of test results to the originating facility. The required information when entering results into Metrc is the following: all test results showing whether the lot passed or failed each required test; the certificate of analysis (COA); and a photo of the sample received at the facility (may be on the COA instead of separate upload). Voluntary testing may be completed on a schedule agreeable to the submitting facility, but all test results from voluntary testing must be reported in Metrc.

Sampling is the crux of analytical testing. A representative sample must be collected to obtain accurate results that reflect the characteristics of the entire harvest or process lot. There are differing expectations during the sampling process for dispensary, cultivation and manufacturing licensees vs testing licensees. The sampling expectations for dispensary, cultivation and manufacturing licensees are:

- Order the correct test batch and collaborate with testing licensees to verify accuracy of information recorded on the chain of custody
- Ensure all processing of the lot is complete prior to sampling
- Ensure lot size meets rule requirements and ensure the entire harvest or process lot is available to the testing licensee for sampling
- Ensure no more than one mandatory test is completed on a lot unless you receive written approval from DCR
- An employee of the originating license shall be present to observe the process and ensure a representative sample is taken
- Have a designated sampling area that provides two camera angles

Collecting an accurate, representative sample ensures that testing results reflect the safety of the entire harvest or process lot, instilling confidence that the marijuana or marijuana product is safe for consumers!

DCR COMMUNICATION RESOURCES

Stay informed



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One-stop shop



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Connection**
Quarterly e-newsletter



**DCR
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Cannabis.Mo.Gov

Tell us something good!

Amy and Andrea love to hear from licensees. Is your business doing something innovative, interesting or new that you would like to share with them?

Email Tara McKinney, Public Outreach Director at tara.mckinney@health.mo.gov and we may contact you for an in-person meeting to hear more about it!

**For more
information,
visit us at**

[Cannabis.Mo.Gov](https://cannabis.mo.gov)



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[Cannabis.Mo.Gov](https://cannabis.mo.gov)**